



FOR IMMEDIATE RELEASE

15 March 2010

PROTONEX AGM STATEMENT AND TRADING UPDATE

DATELINE: LONDON, UK; Protonex Technology Corporation (“Protonex” or “the Company”), (AIM: PTX and PTXU), a leading provider of advanced fuel cell systems, announces that, at its Annual General Meeting to be held today at 10:00 a.m., Scott Pearson, President and CEO, will make the following trading update:

“With five months of the Company’s 2010 financial year now complete, we are pleased to report excellent progress against the major objectives laid out in our 2009 Annual Report. In relation to our products, we are on target, with two products already launched at the beginning of the financial year and another two expected to be launched by the end. On the government program front, the Company has announced a string of important contract wins that have contributed to a significant contract backlog which is expected to result in higher contract revenue for the financial year ending 30 September 2010 than for any previous year. Finally, on the partnership front, Protonex has advanced its strategic relationships with several global OEMs including Cummins and Lockheed Martin and has entered into detailed discussions with several other market-leading companies.

PRODUCT LAUNCHES

“The Company’s hand-held power management devices, the SPM and BPM power managers, were launched into the military market at the beginning of the current financial year and have been shipping in evaluation quantities to the US Military. The Company is targeting to sell between 100 and 200 evaluation units in its financial year 2010 and will be positioning these products for higher volume orders and initial deployment in 2011.

“The Company’s M250-B consumer product remains on track for launch in the middle of the second quarter of the 2010 calendar year, primarily into the recreational vehicle (RV) market but with subsequent entry into the marine auxiliary power segment. Five RV beta sites have been installed over the past few months and all continue to perform well. The acquired field data has been valuable and the Company is learning a great deal about the M250-B system and its fit into a variety of RVs. Low volume sales of the M250-B product are expected in the current financial year and are expected to set the foundation for a meaningful increase in sales during 2011.

“Development of the next-generation of the M250-CX product has recently been funded by the U.S. Army with “first unit” deliveries expected by June/July of this year followed immediately by a low volume product delivery of 30 units. The next-generation improvements delivered during the program will include increased power output, further integrated battery charging capabilities, additional ruggedisation and a reduction in overall weight and size. The total value of this next generation M250-CX effort amounts to \$3.34 million and brings the total US Government investment in the Protonex M250-CX platform to \$11 million.

PROGRAMS

“As expected, government program awards to Protonex have been robust in the second half of 2009 and to date in 2010. Consequently, the Company’s current backlog and 2010 program revenue opportunities are both strong and consistent with internal expectations. Whilst the Company does not offer guidance

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around possible future contract awards, listed below are the Protonex program awards that comprise material portions of the Company's 2010 program revenues:

- \$3.34 million from the US Army to engineer the next-generation version of the M250-CX power system and to deliver a total of 33 units (Jan/Feb 2010)
- Up to \$1.0 million to build, test, and deliver solid oxide fuel cell systems for the US Army in conjunction with the University of South Carolina (Nov 2009)
- \$2.0 million and \$1.5 million from the US Army to build, test, and deliver solid oxide fuel cell systems operating on high-performance liquid fuels (Sep 2009, Jan 2009)
- \$1.44 million in additional funding from the US Navy and Air Force to extend capabilities of high performance UAV power (Jun 2009, Sep 2009)
- Up to \$3.3 million (\$2.2 million base award with a \$1.1 million option) from the US Department of Defense (DoD) for a high-performance power system for the AECV UAV platform (Mar 2009)

"The previously announced Protonex AECV UAV program with the US DoD is currently being modified. In February 2010, the US DoD and several other parties, including Protonex, determined that having the overall AECV airplane manufacturer assume the role of prime contractor on the fuel cell integration effort would be desirable. The Company believes that this is a significant benefit to it as the prime contractor will handle the customer directly and more effectively support the plane and propulsion system in the field. Consequently, Protonex and the DoD decided to stop the original Protonex contract in February 2010 (after \$1.7 million of payments to Protonex) and have begun to negotiate a new set of contracts between the DoD, the UAV prime contractor and Protonex. The Company's current expectations are that it will receive a subcontract from the AECV manufacturer under this new arrangement that will significantly exceed the \$0.5 million balance of the base award.

PARTNERS

"Protonex continues to develop important strategic relationships with a set of market-leading corporate partners. Its existing partnership with Cummins is working well and discussions are underway on how to expand the operating relationship. In the near term, Cummins will be supporting the M250-B launch as well as certain emerging SOFC products and technologies.

"As previously announced, Protonex was recently selected by Lockheed Martin to develop power supply concepts that will enable its HULC™ robotic exoskeleton to support extended missions. In addition to the HULC project currently underway, the Company is in discussions with Lockheed Martin on several other joint technology and product development opportunities.

"There are many other discussions underway with potential military and non-military OEMs and industrial partners. On the military side, the Company is in detailed discussions with three major military prime contractors to incorporate Protonex' technology and products into existing UAV systems. The Company expects one or more of these agreements to be signed in the coming months. On the non-military side, Protonex is selectively pursuing early product discussions with a focused set of non-military OEMs in the RV, Marine, Backup, and Auxiliary Power markets.

FINANCIAL

"As Protonex approaches the halfway point of its 2010 financial year, the Directors are pleased to report that the Company's financial performance has been generally in line with, or slightly ahead of, internal expectations. To date, program revenues have developed well and expenses are being carefully managed to achieve bottom line results. Looking forward, the Company is targeting between 10% and 20% of revenues in the current financial year to be contributed from product sales to both military and non-military customers. Much of this product revenue will be driven in the second half of the Company's financial year.

"Finally, as previously communicated, the Company is planning to raise additional capital in 2010 and has started this process.

SUMMARY

"In summary, the Company's core business strategy remains unchanged and its execution during the first half of its financial year to 30 September 2010 is on track. In this pivotal year, the Company expects four product launches to occur resulting in low volume orders and initial product revenues. The Directors of Protonex are pleased with the Company's progress to date during the current financial year and remain confident in the Company's growth prospects in 2010 and beyond."

- ENDS -

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Notes to Editors

About Protonex Technology Corporation

www.protonex.com

Protonex Technology Corporation develops and manufactures compact, lightweight and high-performance fuel cell systems for portable power applications in the 100 to 1000-watt range. The Company's fuel cell systems are designed to meet the needs of military, commercial and consumer customers for off-grid applications underserved by existing technologies by providing customizable, stand-alone portable power solutions and systems that may be hybridized with existing power technologies. The Company is headquartered in Southborough, Massachusetts.

This announcement includes statements which are, or may be deemed to be, "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Protonex' financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Protonex' products and services) are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Protonex to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These factors include but are not limited to those described in the Admission Document issued in connection with the Company's admission to AIM.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement speak only as at the date of this announcement and are subject to risks relating to future events and other risks, uncertainties and assumptions relation to Protonex' operations, results of operations, growth strategy and liquidity.